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President: Mr. Han ..... (Republic of Korea)

The meeting was called to order at 10.10 a.m.

Agenda item 97 (*continued*)

Sustainable development and international economic cooperation

(c) High-level dialogue on strengthening international economic cooperation for development through partnership

Mr. Enkhsaikhan (Mongolia): Allow me at the outset to congratulate you, Sir, on your election to the presidency of the General Assembly. I am confident that, under your most able leadership, this session of the General Assembly will successfully achieve its objectives. My congratulations also go to your predecessor, Mr. Harry Holkeri, for his dedicated and skilful leadership.

My delegation wishes to associate itself with the statement delivered yesterday by the Chairman of the Group of 77. The current process of globalization and technological advancement remains highly selective and excludes the vast majority of the global population from its prospective benefits. A situation in which the income of the top 20 per cent of the global population is nearly 80 times greater than that of the 20 per cent at the bottom is not only morally difficult to accept, but also impossible to sustain. Further marginalization of the most weak and vulnerable is becoming a global challenge. Representatives who spoke yesterday touched upon the manifold responses that ought to be taken to address this global challenge. I would like to confine my brief remarks to the two sub-themes of our discussion.

With regard to the sub-theme 1, Promotion of the integration of developing countries into the world economy and generating new public and private resources to complement development efforts, many delegations yesterday justly emphasized the importance of the efforts by developing countries themselves. It must be pointed out, however, that international economic cooperation in trade, finance and technology could and in fact should create adequate conditions for enabling the developing countries to reap the benefits of globalization.

International trade plays an important role in the economic and social advancement of developing countries. Therefore, the elimination of physical and non-physical trade barriers would be a major step towards addressing the challenges faced by the developing countries. The current multilateral trade agreements require tariffs to be assessed on an equal most-favoured-nation basis. In these circumstances adequate measures should be taken to level the uneven playing field between industrialized and developing countries, taking duly into account the needs of the most vulnerable among them, particularly the least developed, landlocked and small island developing countries.

The current trade regime overlooks the very important fact that greatly varying international transport costs create extreme vulnerabilities for

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landlocked developing countries. These countries are paying three times as much as industrialized States and twice as much as fellow developing countries to transport their export items to the world markets. Therefore, it is difficult, or even impossible, to talk about benefits of international trade and globalization for this particular group of countries. Most landlocked developing countries depend heavily on a few export-based sectors for their economic and social growth. Therefore, my delegation believes that the special circumstances and needs of these countries should be adequately addressed at multilateral trade forums, particularly at the World Trade Organization (WTO) Ministerial Meeting in Doha, and at the new round of trade negotiations, if and when they commence.

The issue of the technological marginalization of most of the developing world is being justly raised during this discussion of ours. We believe that this problem, like many other problems, cannot be adequately addressed when one third of the world's population has to survive on the equivalent of $1 per day. Adequate sources of financing are needed. Under these circumstances, the International Conference on Financing for Development and World Summit on Sustainable Development should address all aspects of development and development financing, especially for the most vulnerable and weakest developing countries.

The ability to benefit from globalization depends not only on the improved capacity to benefit from international trade, but also on the ability to make use of complex information and communication technology (ICT). ICT is becoming an essential tool for economic development in our age; it underlies power, knowledge and creativity. As developing countries, especially the most vulnerable among them, become ever more marginalized from globalization and are being left behind the advances of information technology, their developmental opportunities vanish and they face further marginalization with all the ensuing consequences. Therefore, it is vital that the United Nations make its own contribution to addressing this growing challenge.

My delegation therefore welcomes the establishment of the ICT Task Force as a significant first step towards bridging the digital divide. A major task now is to commence the activities of the Task Force, as was rightly pointed out by the Chairman of the Group of 77 yesterday in his statement.

My delegation believes that, perhaps, a special brainstorming meeting on ICT for development might be useful. Such a meeting could provide a major impetus to the commencement of the activities of the Task Force and could bring together Governments, multilateral institutions, the donor community, the private sector and civil society. It could discuss concrete ways and means of assisting developing countries to acquire the technological infrastructure of the new economy and the capacity to utilize it effectively. It could also focus on such priority issues as improving the quality of education in developing countries so as to enable them to utilize to the fullest extent the technology, developing informational infrastructure and broadly introducing ICT to the vast rural population in developing countries. It is evident that rural people will remain on the margins of development if their specific informational needs and remoteness from the centres of progress of technological development are not addressed.

Discriminatory globalization is fraught with the possibility of creating a world that is made up, on the one hand, of a highly connected, and thus productive, extremely affluent minority and, on the other, a vast majority that is excluded not only from its benefits but also from contributing in turn to technological advancement and globalization. The international community, through its sustained and cooperative efforts, should prevent and reverse the process of further marginalization of the weakest and most vulnerable. My delegation expresses the hope that this high-level dialogue on strengthening international economic cooperation for development through partnership will be able to contribute to these efforts.

Mr. Ahsan (Bangladesh): Since I am taking the floor for the first time since your assumption, Sir, of the presidency of the fifty-sixth session of the General Assembly, allow me to congratulate you on behalf of the Government of the People's Republic of Bangladesh. We are confident that under your able guidance we will be able to reach fruitful conclusions in our work during this session.

I speak today with a heavy heart as I recall the massive loss of innocent human lives and destruction of property in the United States of America caused by the dastardly acts of terrorists. On behalf of the Government and the people of Bangladesh, I reiterate our total condemnation of this mindless violence and express our solidarity with the Government and the

people of the United States at this hour. We offer our deep condolences for the victims and sympathy to the bereaved families. Bangladesh reiterates its support for any international effort to combat terrorism in all its manifestations.

I deem it an honour and privilege to be able to speak on this important occasion. I take this opportunity to commend the initiative of the Secretary-General in organizing this second high-level dialogue under the general theme of strengthening international economic cooperation for development through partnership. The basis and rationale for holding such a dialogue, for reiterating our commitment to achieving the common goal of economic development, is reflected in General Assembly resolution 55/193. That resolution identified the need to provide a platform for the exchange of ideas at a high level in order to give impetus to the implementation of the Millennium Declaration.

We commend the statement delivered yesterday by the Chairman of the Group of 77 and subscribe to the views expressed on behalf of the Group. I intend to address a couple of issues that we consider to be important.

The world is changing at an unthinkable pace due to the forces of globalization. The process throws up opportunities as well as challenges. Globalization has also transformed the social and economic considerations of countries around the world. Given its pervasive effects, we have to ensure that the process of globalization does not undermine social justice and that it works better, in the interests of everyone. That is why we need to make it broad-based and participatory. As the twin forces of globalization and trade liberalization proceed, the developing countries in general, and the least developed countries in particular, find themselves increasingly marginalized. That is evident in their gradually declining share in world trade, investment and output. In today's globalized world, the rationale for international cooperation is obvious, because those countries need a supportive external environment for the success of their economic development programmes.

In recognition of that imperative, and to reap the benefits of globalization, a series of major United Nations conferences were held in the area of sustainable development, with the adoption of a number of programmes of action. Over the past few years, their implementation has been followed up through their respective review and appraisal conferences. Despite the best intentions of the international community, the developing countries, particularly the least developed countries, have not been able to progress very far. Poverty remains pervasive; opportunities remain meagre for the poor; and a vast sector of women continue to be disadvantaged. We want full and faithful implementation of the programmes of action adopted at those conferences. We believe there is need for an effective mechanism for the implementation of these programmes of action, a mechanism pioneered by the United Nations for coordinated follow-up at the global and regional levels.

More than other developing countries, the least developed countries have had to face the challenges of globalization from a very weak socio-economic base. The Third United Nations Conference on the Least Developed Countries, held in May this year, provided an opportunity to deal comprehensively with the problems and prospects of least developed countries after more than a decade. The Programme of Action for the Least Developed Countries for the Decade 2001-2010 and the accompanying Brussels Declaration, and in particular the seven commitments, cover a wide range of issues for follow-up at the national, subregional, regional and global levels.

International cooperation presupposes the sharing of resources and expertise in order to face the challenges of globalization. Apart from individual countries, regional organizations and international bodies have a vital role in operationalizing that cooperation. The idea of partnership was clearly reflected in the outcome of the Third Conference.

Another area requiring such cooperation was evident in the aftermath of the recent financial crises: improving the coherence of the international financial system through participatory management and greater transparency, thus ensuring increased participation of developing countries. The much-needed reform should encompass a mechanism for the management of financial crises and should provide early warning of impending crises.

We welcome the holding of the International Conference on Financing for Development, to be held in March next year in Mexico. We consider that this will be a milestone event in international development

cooperation following the Third United Nations Conference on the Least Developed Countries. We believe that the event will provide an opportunity to address related national, international and systemic issues, including mobilization of domestic resources, debt relief and trade benefits for developing countries. We are hopeful that it will be possible to reach agreement on concrete guidelines and measures for the mobilization of resources from the domestic sector, especially through effective public finance policy, and in the external sector as well, through increased trade, official development assistance, flows of foreign direct investment and transfer of technology.

We attach great importance to the issue of protectionism in trade measures, in particular in the agriculture sector of developed countries, because of its adverse impact on developing economies. This has prevented developing countries from benefiting fully from trade. We believe that the fourth World Trade Organization Ministerial Conference, to be held in Qatar in November, will present yet another opportunity to rectify current imbalances in the multilateral trading system. In that connection, I wish to flag some of the specific areas where well-designed policies and rules may be helpful for greater integration of the developing countries into the global economy. These include, first, market initiatives in favour of developing countries, including greater access for their goods; secondly, easier movement of labour; thirdly, progressive removal of all trade barriers and restrictions; fourthly, increased foreign capital flows in terms of both official development assistance and foreign direct investment; fifthly, effective measures to reduce the debt burden; and finally, increased flow of technical skills and knowledge.

The tremendous advancement of the information and communications technology sector offers a great opportunity for rapid dissemination of information and technical know-how. We are fully appreciative of the vital role it has to play in the global economy of the twenty-first century. In that context, we welcome the recommendations adopted at the Group of 8 summit in Okinawa with respect to reaping the full benefits of the digital revolution and to helping developing countries bridge the digital divide. It is heartening to know that the recently formed Digital Opportunity Task Force is fully functional.

I would like to conclude by expressing the hope that this high-level event will be able to make a positive contribution to our efforts to achieve the goal of economic development, by making concrete recommendations. In our endeavours, special focus must be maintained on the acute economic problems faced by the least developed countries. More should be done to help them combat the negative effects of globalization and to integrate them into the global economy.

Mr. Loizaga (Paraguay) (*spoke in Spanish*): This second high-level dialogue on strengthening international economic cooperation for development through partnership, which is addressing issues of far-reaching significance for developing countries, is for obvious reasons taking place under extremely trying and tragic circumstances. Given those circumstances, this dialogue is doubly important. First of all, it is focusing on its substantive agenda: the integration of developing countries into the world economy and into the global information network. And secondly, this dialogue is important because it symbolizes the firm determination of the international community, and of the United Nations in particular, to move forward with its essential task. The terrible events with which we are all familiar must not divert us from our goal.

Those points made, I cannot continue without first, on behalf of the people and Government of the Republic of Paraguay, reiterating our deepest feelings of condolence and solidarity to the people and Government of the United States of America, and in particular to the families of the victims of the recent tragedy. Undoubtedly, the international community must exhaust all possible efforts in order to carry out a joint action to eradicate this evil, which is terrorism.

We must collectively acknowledge that globalization is an undeniable reality that is intensifying daily and becoming increasingly evident in its various manifestations. The real point of discussion is how to channel this process and direct it in a way that may yield benefits for all of mankind equitably, while not allowing it to serve the interests of a few, nor allowing it to widen the already existing gap between the rich and the poor. We must approach globalization from a positive perspective because it makes available to us great progress in technology, communication, transportation and trade, to mention just some of aspects. However, the benefits of this phenomenon must be shared by all in a spirit of solidarity and social justice.

This is why consideration of the particular items on our agenda must be a shared endeavour based on cooperation and partnership. Integrating the developing countries into the global economy and seeking new sources of financing will prove successful only through a collective effort that includes all the major actors — the United Nations institutions, the World Trade Organization, the Bretton Woods institutions, the private sector and civil society — while at the same time ensuring the participation of countries with varying levels of development.

In this context, we emphasize the importance of the process of financing for development, which will culminate with the holding of the International Conference on Financing for Development next year in Monterrey, Mexico. We must, with our fullest effort, take advantage of this opportunity to examine the problems involving development resources, and not allow that to become an additional burden to the external debt of developing countries.

We can also emphasize the discussions on financing for development being carried out under the auspices of the Bretton Woods institutions, which are essential players in the process of integrating the developing world, as well as the fourth World Trade Organization Ministerial Conference to be held in Doha, Qatar in November 2001.

In this context, bearing in mind the essential role of trade in development in our countries, we underscore the importance of continuing the trade liberalization process, particularly with regard to agricultural products, so as to offset existing disadvantages in the current trade regime, in order to create a just, transparent and predictable system, particularly through the complete elimination of all trade barriers, tariff and non-tariff barriers, that most hurt our countries.

Developing countries must have just access to markets, so that they can participate on an equal footing in the multilateral trade system. In this regard, we must acknowledge that certain developing countries have major disadvantages and situations that further impede their development because of specific factors and that any cooperation arrangement must take this reality into account. The landlocked developing countries, the least developed countries and the small-island-developing countries all face a greater risk of being marginalized and of not gaining the access to the globalization benefits that the other developing countries have. It would be a mistake to lump all developing countries into one group without recognizing that there are clear-cut differences in their respective situations and levels of development, as well as real capabilities for joining international processes.

Information and communication technology is both a cause and a component of globalization. Fairly and equitably oriented, it can be an important instrument for our countries, promoting human-resource training, strengthening both legal and financial institutional frameworks and facilitating trade, among other things. Having technology means having an advantage and development. That is why the developed countries have the obligation and the moral responsibility to ensure that new technologies be within the reach of all, in order to avoid exacerbating the inherent disadvantages of many developing countries. Technology can offset the obvious inequities only through the participation and the cooperation of all, in a spirit of human solidarity. We welcome the creation of the Information and Communication Technologies Task Force, and we underscore the need for it to receive the resources necessary to carry out its important work. We also highlight the work of the Commission on Science and Technology for Development.

Finally, we reiterate the importance of being ever mindful of the most disadvantaged developing countries, considering that technology is an essential tool for their future development, which will offer all the tools necessary for us to achieve social justice in our respective countries.

Mr. Al-Haddad (Yemen) (*spoke in Arabic*): On behalf of the delegation of the Republic of Yemen, it is a pleasure for me to congratulate the President on his election to the presidency of the fifty-sixth session of the General Assembly and on the work of the high-level dialogue on strengthening international economic cooperation for development through partnership.

We also wish to take this opportunity through you, Sir, to express our gratitude and appreciation to your predecessor, Mr. Holkeri, for his constructive efforts throughout the last session of the General Assembly.

Allow us at the outset to express our most sincere condolences to the families of the victims of the terrorist operation, of which the United States, New

York, Washington and Pennsylvania have been the victims. It was a shock for us, as well as for the entire international community. In view of the seriousness of what occurred, we wish to repeat once again that terrorism in all its forms is action condemned by all religions. We wish to express firm condemnation of terrorism at this important session of the General Assembly and stress the need for establishing an international coalition to end terrorism.

This second stage of the important dialogue on the strengthening of international economic cooperation for development through partnership is devoted to the issue of globalization and to facilitating the integration of developing countries into the international economy of the twenty-first century. We are following up a dialogue that began earlier this year and taking part in round-table meetings. Further impetus should be given to this process so as to ensure that important conclusions and decisions are taken at a global level as a result of this important dialogue.

Globalization, which is a characteristic of the modern era, is having an enormous impact on rapid and diversified progress, especially in the area of trade, technology and growth. The objectives of globalization, however, have been confined to the market, and social and human interests have tended to be ignored. The main actors in this process are operating within the major multinational companies and some developed countries, and this has created obstacles for the countries of the third world, which are suffering under the burden of foreign debt and deep financial crises. Indeed, it has worsened the situation for those countries, creating impediments and further marginalizing them.

In this context, international action should be taken, in a spirit of solidarity and shared responsibility, to deal with the crises in the developing countries and facilitate their integration into the world economy in an equitable and just manner. To this end, several steps need to be taken. The economic bases of the developing countries need to be strengthened to enable them to overcome their economic problems; infrastructure and human resource capacity must be enhanced; the problem of low prices for exports from developing countries must be addressed; and relations between developed and developing countries — including on the issue of the debt — must be improved. Furthermore, access to the international market for the agricultural and industrialized products of developing countries should be facilitated; this is vital.

There are other important aspects contributing to the weakness of the economies of developing countries that need to be addressed, including their lack of negotiating strength, given the current context of international relationships. We believe that this is a very important consideration. The Millennium Declaration, made by heads of State or Government, emphasized the need to adopt a new methodology within international relations based on the justice, equity and common interests.

The developing countries are heavily indebted, and greatly depend upon international development activity, external bilateral assistance and multilateral aid. Short-term direct investment in the development process strips developing countries of their negotiating power and does not allow them to qualify for integration in the global economy as an equal partner. Indeed, it leads to further marginalization.

Many developing countries, including the Republic of Yemen, have taken appropriate measures for the required adjustments, such as free markets and economic reforms that would push their economies forward and help them to integrate into the global economy. However, these measures, which are being taken in cooperation with international financial and trade institutions, have not yet led to integration into the global economy.

What we are witnessing now is that free trade and the removal of trade barriers have allowed world trade to break down the foundations of national economies. The expansion of world trade, which has led to increased production and growth of capital and short-term investment, was accompanied by harmful effects on domestic products in developing countries, due to their inability to compete with quality products. Furthermore, the capabilities of developing countries in the field of technology and information and in the interlinkage of production, distribution and marketing cannot be compared to those of the developed countries.

This should lead us to work to resolve the problem of international trade relations at a multilateral level. I am referring here to the World Trade Organization and the General Agreement on Tariffs and Trade, and to particular issues such as intellectual property, services and the criteria for economic and

agricultural investment and so forth. The interests of the developing countries must be considered in dealing with all these issues; developing countries should be recognized as true partners and allowed to assume international economic responsibility.

Any attempt to integrate the developing countries into the world economy and the globalized world, based on partnership, must consider such countries as participants in the international decision-making process. This process, which has been globalized, tends to ignore the interests of the developing countries, because economic, social and even cultural decisions are made at the national level, while the objective of globalization is pursued through the vision of international financial organizations, which finance activities on a large scale. Thus, national Governments are pressured into relinquishing their national sovereignty in the management of national development policies and required to adapt to new concepts and trends that come from the outside.

We have great hopes that the high-level dialogue, and the International Conference on Financing for Development, to be convened next year, will enable us to achieve global world economic prosperity and international peace and security.

Mr. Galuška (Czech Republic): As this is the first time I have taken the floor at this session as the representative of my country, I should like to congratulate you, Sir, on behalf of my Government, on your election to the presidency of the General Assembly at its fifty-sixth session, and to pledge our full support to you in your important and demanding work.

The Czech Republic has aligned itself with the European Union (EU) statement on the topic under discussion. We unequivocally share the views on all issues expressed in the EU statement made by the Belgian presidency yesterday. The Czech delegation would now like to further elaborate on three points that in our view are crucial: the development dimension of international economic cooperation; countries' responsibility for their development; and regional cooperation.

The issue of international economic cooperation for development has been a major concern of the international community over the decades. But the most recent events and initiatives have created a truly new opportunity for strengthening cooperation and facilitating the integration of developing countries into the world economy. The turning point was the adoption of the Millennium Declaration, in which the heads of State and heads of Government agreed upon ambitious development goals. The third United Nations Conference on the Least Developed Countries, and particularly the preparatory process for the International Conference on Financing for Development, have also been important forums for tackling major existing challenges in economic cooperation for development.

The Czech Republic attaches great importance to the development goals of the United Nations. To achieve the majority of these specific complex development goals by 2015 will require numerous broadly based actions by various players, be they national Governments, international organizations, civil society organizations or private-sector entities. Our perception is that the United Nations should play a central role in building coalitions for the full implementation of the Millennium Declaration. That is why we strongly support all initiatives that have led to consultations and cooperation between the United Nations, the Bretton Woods institutions and the World Trade Organization (WTO), particularly within the preparatory process of the International Conference on Financing for Development.

We are pleased to see that the question of financing for development will be considered at the next joint World Bank-International Monetary Fund (IMF) meeting of the Development Committee and that a possible development dimension of a new round of trade negotiations is now the subject of intensive consultations. We also welcome the significant outreach to the business sector and civil society which has taken place within the preparatory process on financing for development and the Global Partnership Initiative. We believe that all these processes will establish close collaboration and a better-coordinated approach in the implementation of the follow-up to the Millennium Declaration and, moreover, that they will strengthen the focus on development in international economic cooperation and perhaps make the international economic architecture more development-oriented.

The development dimension of international economic cooperation has enormous implications for the integration of developing countries and countries in transition into the global economy. However, an

enabling international environment is not enough. It can have a supportive and catalytic impact, but each developing country and country in transition bears the primary responsibility for its own development and integration into the world economy.

The countries themselves must be the driving force in their integration. They need to develop consistent, country-driven poverty-reduction and development strategies which would set development goals at the country level and establish a basis for sound and coherent macroeconomic financial and trade policies, while embracing economic as well as social factors of development.

In this context, let me point out that the Poverty Reduction Strategy Paper (PRSP), which is currently being introduced by the IMF in the least developed countries, is an exceptionally important instrument, as it introduces a new approach to development by prioritizing consistent, country-driven development strategies and coherent policies, with a supporting role to be played by international development partners. Therefore, we believe that this kind of development strategy should be widely applied in developing and in transition countries.

My last point relates to regional cooperation. In this connection, I welcome document HLD/CRP.3, which provides us with valuable data about new trends and regional perspectives on globalization. It also provides evidence of how immensely important regional cooperation is. It is a very suitable format for both trade relationships and for foreign direct investment. In our view, the potential of regional cooperation has not been fully recognized yet, particularly in financial and monetary matters.

The Czech delegation is convinced that appropriate and more focused attention should be given to regional cooperation and integration, as well as to the extremely pressing issues of globalization and interdependence.

Mr. El Atrash (Libyan Arab Jamahiriya) *(spoke in Arabic)*: This being the first time that I have taken the floor since your assumption of the presidency of the fifty-sixth session of the General Assembly, it is a pleasure for me first and foremost warmly to congratulate you, Sir, and to wish you every success in your task.

Let me take this opportunity also to express to your predecessor our full appreciation and gratitude for his outstanding efforts and wise leadership during the previous session of the General Assembly.

I am particularly pleased also to thank you, Sir, for your efforts in guiding this high-level dialogue on strengthening international economic cooperation for development through partnership.

This meeting is being held just a few days after the horrible terrorist acts that struck New York City; Washington, D.C.; and Pennsylvania, killing thousands of innocent victims. I wish to take this opportunity to convey our most heartfelt sympathy and condolences to the people of the United States and to the families of the victims. This heinous terrorist act is not condoned by divine religious or civil laws; it is the work of criminals, and given that my country has been one of those most affected by terrorism, we wish in this respect to reiterate the need to combat terrorism in all its forms through action that is adopted and guided by the United Nations.

We welcome with satisfaction the meeting that the United Nations will be holding at the beginning of October aimed at fighting terrorism, and we hope that its objectives will be attained.

We are very aware of the importance of this dialogue, because it represents a comprehensive global assessment and review of all of the efforts made to date. In this regard, it is vital to stress the importance of integrating the developing countries in the international economy and to strengthen international economic cooperation, because this is one of the most complex issues confronting us at the beginning of the twenty-first century.

Globalization is leading to crises and facing major opposition, for reasons that we believe are quite clear. With the opening of markets, freedom of trade has generated unprecedented wealth in certain areas of the world, but the distribution of this wealth has not been equitable. Globalization has not benefited the poor, so the promise of a better life in developing countries has been generally hard to fulfil.

This is the danger that globalization holds for the poor countries: not only the worsening and domination of their markets but also the abandonment of these countries and the neglect of any improvement to their economic situation.

It is very important to discuss poverty and underdevelopment. The challenge presented by poverty is urgent and vital. It seems that any progress in this area is extremely slow in coming. As to the current economic trends, dozens of countries, representing two thirds of the world's population, still live in conditions of underdevelopment. They cannot make economic progress, participate in the international economy or benefit from modern technology in order to modernize their trade institutions and markets.

We in the developing countries and markets, particularly in Africa — where less than 1 per cent of the population has access to Internet, compared to 45 per cent in North America — favour the current high-level dialogue, which would enable the developing countries to be integrated into the world economy and the global information network, thus strengthening the capacities of private and public institutions. The dialogue could enable us to achieve progress in the development of the global economy, taking into account the specific nature and possibilities of the developing countries. It could enable us to create a new world order that should promote trade and development and prosperity for all, especially developing countries.

If we really wish to improve the prevailing situation, and if we wish globalization to become a dynamic and positive force that is available to people, the international community has to introduce radical changes at the national and global levels, changes that should pay special attention to Africa because Africa is the continent most at risk of failure in achieving these objectives.

The Group of 77 and China has been aware of these realities for a long time and it is for this reason that this group, last year in Havana, adopted a bold and ambitious declaration and programme of action to establish a new humanitarian world order that would facilitate the integration of the developing countries into a world economy. The declaration's programme would allow us to achieve our common objectives: a more just and equitable future and the end of underdevelopment and poverty. It would also promote development on an equal footing.

This is the role that embodies our desires and objectives and that we should play at the threshold of the new millennium. We are fully aware that the working plan adopted by the Group of 77 and China last year and the synergy of world politics to achieve our common constructive goals, as personified by the Millennium Declaration of the United Nations last September, can become a positive factor for all peoples of the world. In order to achieve an effective form of partnership, the developing countries need to strengthen international economic cooperation for development through partnership.

In order to be able to achieve this goal, it is a pleasure for me to say that my country is carrying out practical and real measures towards development on the national and global levels. My country is implementing the Havana programme and the United Nations Millennium Declaration of last September. However, whatever happens, without a real worldwide effort, we cannot build true globalization. The northern countries need to enthusiastically and sincerely practice what they have been preaching and promising for several years and try to alter the situation for the poor who have been marginalized for long decades. It is high time to approve and implement new measures in order to alter the sad reality we are witnessing. If developed countries are truly committed to using trade to promote development, they need to formulate serious and specific measures and strengthen them. Let us recall here the upcoming international meetings: the ministerial-level meeting in Doha of the World Trade Organization, the International Conference on Financing for Development in Monterrey and the World Summit on Sustainable Development to be held in Johannesburg. All these events and conferences could be an opportunity to discuss the possibility of speeding up the process of globalization and partnership. Such a partnership would be more global in character and would try to take up extremely important measures to break down existing barriers, to discuss debt alleviation for the poor countries, to help the developing countries and to commit to honouring the principle of sustainable development. Thus, on all fronts, we observe the importance of pushing forward with a dialogue on the promotion of economic world cooperation for development through partnership, and of enriching and broadening international dialogue in this area.

Allow me to conclude by saying that my country will make every effort to strengthen international economic cooperation for development through partnership and that we will be an active partner within the United Nations family in the various efforts carried out by this family. We are committed to building on the

basis of partnership on all levels. We are committed to achieving all the objectives contained in the Havana Declaration and the Millennium Declaration. We wish every success for this dialogue so that it can attain its expected objectives.

Mr. Singhara Na Ayudhaya (Thailand): Before I begin, please allow me to join my colleagues in expressing on behalf of the Government and people of Thailand our sincere sympathy and deepest condolences to the President, the Government and the people of the United States of America, especially to those who have lost their loved ones in the tragic events of 11 September.

I would like to extend my congratulations to the President on his election as President of the fifty-sixth session of the United Nations General Assembly. I am confident that his leadership and vast experience will undoubtedly guide us to the session's successful conclusion, especially at a time when we are facing an extremely difficult situation. You can rest assured of my delegation's full cooperation towards the success of this meeting.

I wish to associate my delegation with the statement delivered by the distinguished representative of Iran, the chairman of the Group of 77 and China.

Globalization is seen today as a process that integrates and democratizes the world's culture, economy, and infrastructure. However, it should not be seen as an inevitable force that is beyond our control. Rather, globalization should be seen as a result of interactions among its key components, such as liberalization, multilateral trade and financial institutions and the policies and decisions of different countries, as well as cooperation among and within the various groupings. More importantly, globalization is driven by the rapid proliferation of information and communication technology.

One of the main challenges we are facing today is how best to handle this ongoing process so that it will fully benefit all of us, especially those developing countries that have limited or no capability to cope with the new reality. In order to maximize the benefits of globalization, countries are required to have sound domestic policies and to improve their domestic capacities, including financial and structural reforms, to keep pace with the globalized world. Indeed, some of us are doing our best in this reform effort. Furthermore, there is also a need to create an enabling international environment. A level playing field alone is not adequate to address the growing disparity or the ever-larger gap between the developed and developing countries. Developing countries need to be assisted in their capacity-building so that they can fully reap the benefits of globalization in such areas as trade, investment, finance and technology. Genuine international economic cooperation and genuine efforts in good faith are needed in this regard.

Thailand recognizes that developing countries can generate economic growth through economic liberalization. However, liberalization must be done in a progressive manner or step by step in accordance with the degree of readiness. Liberalization has to be flexible and take place with due respect to national policy objectives and the level of development of each country. This step-by-step participation is possible and allowed for under both the International Monetary Fund and the World Trade Organization agreements.

Although globalization is a potentially dynamic force for growth and development for developing countries, it can also be a serious threat to vulnerable economies with limited capacity. The recent financial crisis in Asia has vividly illustrated that developing countries that have previously enjoyed rapid economic growth are still not well equipped with crisis management and are vulnerable to world economic fluctuation. In light of this, Thailand supports a comprehensive reform of the international financial architecture that can provide a better mechanism for crisis management and make it more conducive to trade and development for developing countries.

Regional and subregional arrangements can effectively assist developing countries in their efforts to become integrated into the world economy. Hence, the countries of the Association of South-East Asian Nations are fully committed and working closely towards economic integration within the region. The Greater Mekong subregion, which includes Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam and Yunnan Province of the People's Republic of China, is another subregion in which countries are working together closely to accelerate their development in the framework of the Decade of the Greater Mekong Subregion Development Cooperation. In the larger picture, Thailand also fully supports the strengthening of South-South cooperation in the integration of countries of the South into the world economy.

At the international level, Thailand also has high hopes for the success of the International Conference on Financing for Development to be convened in Monterrey, Mexico, between 18 and 22 March 2002. The main purposes of this International Conference are to address national, international and systemic issues relating to financing for development in a holistic manner in the context of globalization and interdependence; and to address the mobilization of financial resources to reach the goals set by the major United Nations conferences and summits organized during the 1990s, including the Millennium Declaration. In this regard, Thailand wishes to stress that its agenda – which covers six areas, such as foreign direct investment and other private flows, trade, official development assistance and systemic issues – is very important to and will impact on the development and integration of the developing countries into the world economy.

Turning to the second agenda item of this meeting, Thailand believes that information and communication technology plays a vital role in and is part and parcel of the globalization process. Information networks also enhance the efficiency and quality of life by reducing the physical and time barriers. In order to induce people to use information technology, developing countries need to create a sufficient level of telecommunication service that is both reliable and inexpensive, with priority given to the construction of better telecommunication and networking infrastructure.

Thailand recognizes that liberalization in the area of telecommunications is an effective way to achieve higher quality information systems. However, such a process must take place in a progressive manner with due respect for national policy objectives and level of development. The liberalization process should also focus on consumer protection, fair competition, fair pricing, service licensing and stipulation of penalty.

Thailand believes that developing countries should be concerned not only with the number of telecommunication network connections, but also with the number of people who gain access to these connections and the level of their knowledge to make full use of the information and communication technologies. Therefore, communications links should be promoted simultaneously with computer training and human capacity-building in order to ensure maximum usage of the available technology.

Thailand also recognizes that e-government, which involves the digitalization of information and the provision of on-line transaction of public services, is an important impetus for many developing countries in the development of national communication infrastructure. It can significantly help accelerate the integration of a country into the global network. We are thus working towards the enhancement of our capacity in this direction. However, I do believe that many developing countries – indeed, including us – will still need some kind of overseas technical assistance in this area.

Thailand thus shares the wide concern that developing countries are increasingly becoming marginalized by not being able to keep up with the dynamism of technological changes, especially as access to global networks, new information technology and advanced services become the main driving forces of integration into the world economy. Therefore, there must be international cooperation on the transfer of information and communication technology, as well as assistance in human-capacity building in this area. Also needed are research and development initiatives that will help equip developing countries with the needed technological knowledge in order to prevent the further widening of the existing digital divide. In this regard, Thailand fully supports the role of the United Nations in promoting development in the context of globalization and interdependence, especially in the dimension of technology, and the work of the United Nations Information and Communication Technology Task Force that was recently set up. For our part, we will render our full cooperation towards the success of this Task Force and beyond.

Mr. Sharma (Nepal): Let me first express our deep sympathy and condolences to the United States Government and the American people at the incalculable loss of life and damage to property in the horrible terrorist attacks on United States landmarks on 11 September 2001. Our hearts go out to those who lost their loved ones in the tragedy.

I would like to begin by congratulating you, Mr. President, on your well deserved election to lead the world's foremost representative body. My delegation has full confidence in your ability to steer the fifty-sixth session of the General Assembly to a successful conclusion.

The high-level dialogue on twin issues of widely shared interest is timely and topical. It provides us a welcome opportunity to put our heads and experiences together to hammer out a global strategy to make globalization and information technology work for all countries and for every man and woman around the planet.

Globalization has failed the poor, as has the information revolution. Here is a stark example. According to the United Nations Development Programme Administrator, some 66 countries are now poorer than they were a decade ago. The gap between the rich and poor has widened tremendously. Clearly, it has coincided with the ascendancy of both globalization and the information revolution.

This regression has thrown us off the moral perch that we take for granted as caring and civilized human beings, and has stricken our conscience and diminished our humanity. We all have been collectively indicted — those who fell, and those who let them fall off the cliff.

Opponents of globalization are gaining strength. They have a point: globalization is not really global. And the information revolution has come in handy for expanding their network. Opposition to the information revolution may begin to build if it remains exclusive as well. Conscious and coherent efforts, therefore, are essential to make these mutually reinforcing forces inclusive before developing countries are compelled to give up in sheer frustration and desperation.

Promoting the integration of developing countries into the global economy and into the global information network basically entails similar significant measures: building capacity, enhancing access and ensuring fairness and justice.

Developing countries must have the capacity to engage in trade, which is generated through the removal of supply-side constraints. They can increase their exports only if they have products and services to sell, and increase their imports only if their people have incomes to spend. The production of tradable goods and services and creation of incomes require technology and also investment in primary, secondary and tertiary sectors that create jobs and economic opportunities for people.

To attract foreign and domestic investment, poor countries need economic and social infrastructure — roads, power, communications, markets, quality education, health services and an appropriate legal and institutional framework. Most developing countries cannot create the necessary infrastructure without outside help.

Essentially, the integration of the developing world into the global economy necessitates comprehensive and integrated national development. To get the ball rolling, developing countries will need a substantially enhanced, a front-loaded official development assistance (ODA) package, deeper and wider debt relief and strengthened institutional capacities that can create impetus for investment and trade. But over the last several years, there has been a net decline in ODA flows, particularly to the least developed countries. Nepal appreciates those countries that have met the ODA targets and those that are trying to do so.

The Zedillo Panel has estimated that an additional $50 billion will be needed annually to meet the development goals set out in the Millennium Declaration, the bulk of which will have to come from the North. Far-reaching steps become imperative to raise such resources. Therefore, the World Trade Organization (WTO) Ministerial Meeting in Qatar later this year should launch a genuine development round of negotiations to build the capacity of developing countries to trade as an integral part of national development schemes. The Conference on Financing for Development next year should be used as an opportunity to cement global partnership for the progress of developing countries, with particular focus on the least developed countries in Africa and elsewhere.

It is absolutely crucial for developing countries to enjoy unfettered access to markets up North, as the developed countries do in the South, to sustain their trade and development. We applaud the fact that the European Union has taken a bold first step through the "Everything but arms" scheme for least developed countries, and urge others to follow suit. Letting the least developed countries join the WTO is also necessary for their integration into global trade.

Landlocked developing countries, lacking direct access to sea and having to incur high transit-transport costs, need additional help to overcome these serious bottlenecks hindering their development and to promote integration into the global economy.

Then comes the question of fairness and justice, based on predictable rules of the game. The developing countries have always complained about the new trading regime not providing a level playing field. Protectionism is the bane of free trade, but it is still prevalent, and all the more so in rich counties. For instance, the huge subsidies for agriculture, textile and some other labour-intensive sectors and the tariff and non-tariff walls in the North critically jeopardize the developing world's capacity to compete in rich-country markets. Intellectual property rights must be judiciously used so that the traditional modes of production in poor countries are not jeopardized.

Similarly, to be integrated into the emergent global information network, developing countries will need to have improved national capacities to process and use information. People must have jobs and incomes to be able to afford the necessary hardware and software, roads to transport them to potential users, advanced and reliable telecommunications facilities to which they can connect, education, which is essential if they are to profit from information, a commercially viable market and so on. This cannot be viewed in isolation from a larger national development picture.

Access to information is equally important to integrating the world in an information network. Without the availability of information on the network from government, civil society and the private sector, such innovative concepts as e-government, e-commerce, e-education, tele-medicine, e-research, and so on cannot be possible. Developing countries require know-how and support from outside to put such systems in place and, from within, the evolution of a culture of transparency and openness and willingness to share information.

For developing countries to take substantial advantage of the global information network, they must have room to participate in it meaningfully, particularly in terms of managing information. Control of global information by a few giants, which are further consolidating, hardly helps to create a conducive climate for the South to join and effectively engage in the network.

The Information and Communications Technology (ICT) Working Group established by the United Nations and the Digital Opportunity Task Force of the Group of 8 are preludes to emerging partnerships to bridge the digital divide. They should seriously look into these critical problems and work out modalities for forging deeper partnerships within and among countries so that developing countries can be integrated into the global information network. The 2002 International Conference on Financing for Development and other relevant forums should also look into the financing and technical cooperation aspects of this issue.

In essence, we are talking about a transformation in our collective attitudes, economies, societies and political relations to give globalization a human face. This calls for vision, statesmanship and political will to work for shared well-being and shared progress. On one level, it is an act of humanity and compassion for advanced countries to help their less privileged counterparts to attain sustainable development. But more important, it will be in the enlightened self-interest of the rich to help their poor brethren so that they do not have to spend their fortune keeping aliens away from their borders and keeping criminals at bay.

Poverty is not the destiny of the South. It is a product of complex social and economic phenomena steeped in history. No country, by choice, wants to remain poor, but not all countries or civilizations have grown simultaneously. That is the principal basis for wider and deeper cooperation across the globe for the common good.

Developing countries seek partnership to help trigger growth in their countries, to create jobs, to improve education and health services and to alleviate poverty. They want to learn how to fish rather than simply being given the fish itself. Those are goals the Millennium Declaration set for us, and here we should not fail our heads of State or Government.

Every crisis spawns opportunity and reinforces resolve. The world is now in an economic slump. Perhaps we can convert it into an opportunity of sorts by putting together a global economic stimulus package capable of making globalization and information technology work for every man and woman around the world.

Mr. Clodumar (Nauru): I have the honour to speak at this important meeting on behalf of the States members of the Pacific Islands Forum represented at the United Nations. Our group believes that this dialogue is timely, and that it is especially relevant at this unique time as we prepare for next year's global

meetings on financing for development and on sustainable development.

We all generally agree that the process of globalization has created significant new opportunities for developing countries to be integrated into the world trading, financial and information systems. At the same time, however, it was known that globalization was likely to pose substantial new challenges for countries through, for instance, the high transitional costs arising from market liberalization. As we have found in our own region, the new opportunities cannot and will not be fully realized unless there is a concomitant creation of constructive mechanisms for the financing and transfer of the requisite knowledge and technology.

In the Asia-Pacific region, globalization remains an enigma. The larger "tiger" economies have indeed benefited, but the gap between the faster-growing and slower-growing economies in the region has widened in nearly all respects. The fear is that the latter risk being further marginalized, the small Pacific island economies in particular, whose long-term development prospects have shown little improvement.

What, then, are the policy options available to the developing world? The reports of the regional commissions compiled in conference room paper 3 outline some general guidelines in dealing with globalization, but it is generally understood that there are no easy answers yet. Whatever global, regional or national strategies are born of meetings such as ours today, it is becoming increasingly obvious that Governments need to devise better policy responses that take more realistic account of their own unique circumstances. This applies particularly to the Pacific subregion, where there is growing recognition of the need to develop and strengthen the interface among economic, environmental and social policies, including the challenges imposed by the greater vulnerability that globalization has brought to our countries.

The 1994 Barbados Programme of Action for the Sustainable Development of Small Island Developing States drew the world's attention to the problems facing small island States; if anything, those problems have increased in both intensity and urgency. Because of small country size and remoteness, an overemphasis on public-sector-led development strategies and gaps in technological capabilities, the Pacific islands in particular face special difficulties in making the globalization transition. Adjustment to the external trade regime and the sequencing of changes in our economies will therefore take time and careful planning. To that end, clear signals about the direction of domestic trade and regulatory policies are needed to guide the process and to attract new investment. For our part, we are learning the importance of subregional cooperation and solidarity in allowing for relative efficiency and economies of scale, which has perhaps been one of the bright spots in our experience so far.

While the world works to develop and implement effective strategies to address development and globalization, we must keep in mind the need to apply the general principles of country ownership, participation, partnership and a holistic approach to diagnosis and policy development to the special characteristics of marginalized economies. Much of this vernacular has been adopted by development agencies, but Governments and the private sector need to commit to such a model also, through both advocacy and the provision of technical assistance. For the small economies of the Pacific region, specific issues might include: taking appropriate account of the special circumstances of small island developing States and ensuring that any graduation from least developed country status is not premature; ensuring the provision of policy advice and technical assistance with regard to trade and investment; sharpening of advocacy roles and pursuing commitments from the United Nations system and others to include vulnerability as an additional criterion in determining treatment of small States on issues such as graduation, aid flows, development strategies and investment; and, very important, supporting private sector development, especially in terms of education and training, creating improved regulatory frameworks and infrastructure development, and in terms of the policies and investments needed to exploit the opportunities that information and communications technology (ICT) can bring.

In this respect, our Group acknowledges the pledge made by the Japanese Government at the Millennium Summit of a $15 billion commitment to the task of bridging the digital divide. We keenly await confirmation of the mechanisms for our countries to effectively participate in such fruitful and constructive offers.

Sustainable development is important to us, but we are discovering that the emerging tools to promote it are equally important. The opportunities that information technology and electronic commerce can

bring to small isolated States suggest that these technologies can be a major source of help both in our development and in our integration into the global economy.

But we need assistance in understanding and using these new tools. We also need assistance in the dissemination of these technologies throughout our various sectors, both public and private, and, most importantly, within our educational institutions. The digital divide must be bridged in a constructive manner.

Finally, while the ongoing process of globalization may be beyond our control, ultimately the degree of our subregion's future integration will depend on our efforts and resolve. But to assist the small economies of the Pacific in pursuing the twin goals of global integration and sustainable development, the international community must offer both encouragement and support in our endeavours, and in doing so help make globalization a positive force for all.

Mr. Rosenthal (Guatemala) (*spoke in Spanish*): In the first place, I would like to associate myself with the remarks of Ambassador Bagher Asadi made yesterday morning on behalf of the Group of 77 and China. I have asked to speak to insist on one single point: the importance of giving real content to the word "partnership".

In effect, the diverse subjects that appear in the title of this exceptional one-and-a-half day debate are the bread and butter of our everyday activities. Dialogue, international cooperation and partnership for development are all concepts at the very core of what the United Nations is and should be about. They have the potential of furthering the welfare of humanity, strengthening the United Nations and fostering fruitful and productive relations between all nations. However, they also have the potential to divide, weaken and contribute to moving backwards in the development process.

There are different interpretations of what these concepts mean. In addition, each time we meet to address these topics there is, behind the courteous and sometimes rhetorical phrases, a certain amount of finger-pointing. Basically, the developed countries tend to make the developing countries responsible for their own plight, putting the emphasis on ill-conceived public policies, weak institutions, high levels of corruption and a lack of leadership. Developing countries, for their part, tend to blame the international environment, emphasizing lack of access to markets, lack of access to technologies and lack of access to financing, as well as public policies that tend to marginalize poor sectors and countries, depriving them of the fruits of economic growth. The main point is that both arguments are valid, depending on the vantage point of the interlocutor. At the very least, there are elements of truth in these opposing and somewhat stylized visions.

That is why the real significance of our meetings perhaps is not limited to what Louise Fréchette asked of us yesterday morning: to explore specific ideas to further the agenda of cooperation. There are, of course, countless ideas already on the table regarding the main aspects that form part of that agenda. These will feed into, among others, our own International Conference on Financing for Development; the upcoming Ministerial Meeting of the World Trade Organization to be held in Doha; the commitments already made at various United Nations global conferences; the guidelines in the Millennium Declaration; and the steps to be taken by the Information and Communication Technologies Task Force designed to narrow the digital divide. Hopefully, we will be able to add the issue of international migrations to this list of topics.

But the effect of all commitments — those already made and those yet to be adopted — could be greatly maximized if they were applied in a true spirit of partnership, where domestic efforts made overcome the main obstacles to development are complemented and enriched by a renewed effort in the realm of international cooperation. In other words, we must complement specific proposals with a change in attitude, where all — rich and poor countries alike — assume our individual and collective responsibilities to achieve development and reduce poverty.

We therefore trust that this will be the spirit in which we continue this dialogue within the framework both of the United Nations and of other multilateral forums. Along those lines, we trust that regional cooperation will be enhanced as part of that global effort. It is the least that the peoples of the globe can expect of us.

Mr. Shihab (Maldives): As I take the floor for the first time this session, I would like to join earlier speakers in extending to you, Sir, very warm

congratulations on your election as the President of the General Assembly at its fifty-sixth session. I would also like to assure you of my delegation's full support.

Allow me also to extend my country's heartfelt sympathy and condolences to the Government and the people of the United States on the tremendous loss of life caused by the brutal and cowardly acts of international terrorism on 11 September 2001. My country stands ready to actively assist and provide its full cooperation in any way that it can in the international action to rid the world of the scourge of terrorism.

No one doubts today that globalization is a reality and not a choice. Over the past two decades, the process of globalization has become pervasive, affecting all countries and segments of society. While it has brought unprecedented opportunities for economic advancement, it has, at the same time, posed severe challenges, particularly to the developing countries. The benefits of globalization have not been shared equally among all countries or within countries themselves. Indeed, while the volume of world trade and cross-border international investment has significantly increased, so has abject poverty.

It is readily apparent that the entire process of global economic integration has been asymmetrical. After more than two decades of economic reform aimed at greater integration into the global economy, most developing countries, especially the least developed countries, still find themselves marginalized in terms of economic growth, industrial output and trade, and run the risk of further marginalization. While linkages between developing countries have expanded significantly in recent years, the majority of the flows of the benefits of economic integration have tended to be concentrated in only a few of the larger developing countries.

The intensified circuits of trade, capital flows, foreign investment, technology transfers and the activities of transnational enterprises have largely bypassed the poorest and the least developed countries. Indeed, estimates show that, although they have 10 per cent of the world's population, the least developed countries account for only 0.4 per cent of world trade. The developed countries account for a disproportionate share of the world's flow of foreign direct investment, accounting for over 90 per cent, while the rest of the world — with almost 70 per cent of its population — is able to attract less than 10 per cent of such investments. While global foreign direct investment to the least developed countries may have grown slightly over the years, their share still stands as low as 0.5 per cent. At the same time, official development assistance to the least developed countries has declined considerably.

As we deliberate upon the theme of strengthening international economic cooperation for development through partnership, my country believes that we should pay particular heed to the specific needs and vulnerabilities of small island developing countries such as Maldives. The small island developing States are striving to come to grips with the challenges and opportunities offered by globalization through the liberalization of world trade, increased access to markets, international technology transfers and greater capital flow across national borders. The small island developing States are among not only the world's poorest nations but also the most vulnerable. Their markets are small; their labour — both in terms of quantity and quality — is limited; and their economies are narrowly based, as they are often compelled to be dependent on one or two products, which tend to be susceptible to external forces beyond their control.

If they are to reap the benefits of greater integration into the world economy, the small island developing States need to be able to diversify their markets, increase the skills of their labour force and strengthen their social and economic infrastructure. They need to increase their share of the global flow of foreign direct investment. The least developed countries, especially the smaller island States among them, therefore need more time and a sympathetic understanding of their particular problems by the wider international community, so that they are not marginalized further.

Over the past two decades, Maldives has achieved much progress and made important strides in its social and economic development. Our successes have been largely dependent on political stability and prudent policies, aided by the generous economic assistance extended to us, as a least developed country, by the international community. However, it appears that the international community is about to penalize us for the successes that we have achieved. I refer to the impending graduation of my country from the list of least developed countries.

As this Assembly is aware, there have been attempts in the recent past to graduate small island developing States from the list of the least developed countries on the grounds that statistically they fulfil the required criteria for such graduation. A closer and more careful look at these cases, however, has justified the continued retention of these States in the least developed country category, since the realities on the ground in such island States are too severe to be ignored; abstract indicators alone cannot be relied upon.

At times like these, when the entire global economy is faced with tremendous uncertainty, the impact on structurally weak economies such as that of Maldives can be too overwhelming for them to cope on their own without the continued assistance of the international community. We believe that the international community has a primary obligation to assist these countries in their efforts to integrate into the world economy. The fulfilment of the unequivocal commitments of the international community to encourage and to promote foreign direct investment flows into the least developed countries, to honour official development assistance targets and to help the least developed countries to build their institutional capacity to enhance their access to the world market is extremely critical for the least developed countries if they are to avoid further isolation.

My country believes that the blueprint for effectively tackling the problems faced by the least developed countries is fully contained in the Programme of Action adopted at the Third United Nations Conference on the Least Developed Countries. The full and immediate implementation of the Programme of Action, therefore, remains crucial if the least developed countries are to achieve sustainable development in their efforts to integrate into the world economy.

My country believes that the developing countries, especially the least developed countries, should fully benefit from the numerous opportunities created by the advent of the digital revolution. Bridging the digital divide, therefore, should remain an urgent priority of the entire international community. My country also believes that the active involvement of the private sector and an innovative partnership with major international institutions in this process could prove to be a productive avenue that the international community may wish to explore further.

We are also eagerly looking forward to the High-level International and Intergovernmental Event on Financing for Development, to be held in Mexico early next year. We hope that this event will provide the international community with an opportunity to agree on new, innovative and additional ideas and strategies to mobilize funds for development.

Mr. Swe (Myanmar): First of all, Sir, allow me to congratulate you on your election as President of this important session. I am particularly pleased to see a fellow Asian presiding over the Assembly at the dawn of the new millennium. I am confident that with your broad knowledge and experience and your able guidance, this session will bring forth fruitful results and inject a new dynamism into the work of our Organization.

I should like also to pay tribute to the outgoing President, Mr. Harri Holkeri, for his vision and for his boundless energy in the cause of a better and more effective United Nations. Let me assure you also, Sir, of my delegation's full support as you discharge your daunting responsibilities.

My delegation would like to offer our deepest condolences and sympathy to the Government and the people of the United States for the tragic loss of life and property due to the horrendous and unspeakable acts of terrorism that took place on 11 September.

The delegation of the Union of Myanmar fully associates itself with the statement made by the Chairman of the Group of 77 and China, Ambassador Asadi, on this dialogue.

A new partnership is needed for the international community, particularly at this time of rapid globalization. The nature of partnership in the twenty-first century has changed from relations between nations to a more complex relationship between sovereign entities, international organizations and non-governmental organizations, multinational corporations and academic institutions. This relationship has been further cemented by developments in communications and information technology. Time and space have become increasingly blurred as the people of the world increasingly go on line. New forms of economic opportunities have emerged, such as electronic commerce or mobile commerce, bringing new prosperity and a higher standard of living for many.

However, the majority of the people in the developing countries have yet to benefit from the process of globalization. There is also a downside to globalization, such as transnational crime, the trafficking of women and children, the spread of HIV/AIDS and other communicable diseases, money laundering, and so on This, together with the growing digital divide, has created frustration in the developing countries, which face the danger of further marginalization.

Against this backdrop, it is time to reassess the entire system of international relations and to forge a new partnership that will enable the integration of developing countries into the world economy, so that everyone can enjoy the benefits of globalization.

It is our opinion that the present system of global partnership must be strengthened. The official development assistance initiatives and the Heavily Indebted Poor Countries (HIPC) Debt Initiative have to some extent been instrumental in bringing development to, and in relieving the debt burden in, the developing countries. However, changing circumstances necessitate that more, much more, be done in this direction. Whatever we do, the new partnership should focus on alleviating poverty and accelerating development. It must raise the standard of living of peoples the world over and enable them to enjoy sustainable development.

As I said, our first priority must be the alleviation of poverty. We must be mindful of the fact that two thirds of the world's population is living under the poverty line. The prosperity of the world cannot not be maintained amid a sea of hungry and destitute people. This would threaten the long-term stability of the global economy. We must collectively implement the goal of the Millennium Summit; that is, to reduce the incidence of poverty by half by the year 2015.

We must also bear in mind that poverty is not only an economic problem, but also a social one. We cannot solve the problem merely through additional monetary resources, although monetary resources are very, very important. The problem must be addressed in a holistic manner. While addressing the plight of the urban poor, we must also direct our efforts to combat poverty in rural areas as well.

In forging a new partnership, special emphasis must be placed on financing for development as a major vehicle in development cooperation. In the face of sluggish economic conditions and financial uncertainty, the international community should collectively focus on this endeavour, which will not only strengthen the effective mobilization of domestic resources but also reinforce the system of international capital flows and derive maximum benefit from it.

Trade is the major vehicle is bringing about economic development. It helps foster interaction and partnership among nations. Market access and liberalization are necessary to fully enjoy the possibilities of trade. However, developing countries are still facing major obstacles in this regard. I cannot stress enough the importance of an open, rule-based, transparent and non-discriminatory multilateral trading system. This will not only benefit international trade as a whole but would also be most helpful in facilitating growth and development in developing countries. In this context, the importance of promoting market access for goods and services of interest to developing countries must be specially stressed.

Information and communication technology has become increasingly important for the global economy. A knowledge-based economy holds promise, but also challenges for the developing countries. If these challenges can be overcome, information and communication technology is the most promising way of facilitating the integration of developing countries into the mainstream of the global economy. It again requires a new partnership — a partnership that will support the developing countries and help them to bridge the digital divide, so that they, too, can share in the global prosperity resulting from the information and communication revolution.

In conclusion, let me express my hope that, in our endeavour to integrate the developing countries into the world economy, we will see the effective operation of a new partnership of cooperation based on mutual respect and understanding — a partnership for development through North-South cooperation as well as South-South cooperation.

Regarding South-South cooperation, my delegation reaffirms our commitment made at the South Summit, further strengthened by the consensus reached in Tehran, Iran, at the tenth session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries.

Mr. Ortiz Gandarillas (Bolivia) (*spoke in Spanish*): On behalf of my delegation and myself, I wish to convey cordial congratulations to you, Sir, on presiding over this meeting in the context of the high-level dialogue on financing international economic cooperation for development through partnership. I wish you success in your difficult tasks.

We would also like to take this opportunity to convey on behalf of the Government and the people of Bolivia our most heartfelt condolences to the Government and the people of the United States, and our solidarity with them, after the terrorist attacks perpetrated on 11 September, while also categorically and vigorously condemning those criminal acts.

I cannot fail to express my delegation's concern at the fact that this meeting of enormous importance for developing countries, including mine, is being held without the due participation of our ministers, who would have made this a high-level political dialogue, thus guaranteeing better orientation and greater success. I would also like to associate myself with the statement made by the representative of Iran on behalf of the Group of 77 and China.

With regard to the matter before us, I would like to touch on a few points very briefly. First, I would like to mention the title of the theme of this dialogue, "Responding to globalization: facilitating the integration of developing countries into the world economy in the twenty-first century". We would have preferred, for obvious reasons, to fix certain time frames and to have the title read instead "the integration of developing countries into the world economy in the first decade of the twenty-first century". That would be the title if we had the determination to reach the objectives set at the Millennium Summit.

We believe that the mere attempt to integrate the developing countries into the world economy should not be an end in itself. We believe that such an integration could, in the right conditions, be one of the best mechanisms by which the developing countries could improve and accelerate their development as part of a larger process of sustainable development.

In addition, the concept of facilitating the integration of developing countries into the world economy also means that the developed countries, which have the greatest influence in the world economic system, must provide facilitation and cooperation to achieve this integration.

We believe that the current political, economic, financial, commercial and technological system is not responding adequately to the needs of developing countries in general, and in particular the least developed countries, the heavily indebted poor countries, small island countries and landlocked countries.

The various diagnostic analyses carried out by international organisms and academic institutions reveal that there is an ever-growing gap between the living conditions of developed countries and those of developing countries. These enormous imbalances have persisted for a very long time and only aggravate the situation of developing countries, with the exception of a few countries that have been able to integrate into the new currents of the globalization of the economy. These same imbalances leave the vast majority of developing countries faced with the danger of greater marginalization, with the attendant political, economic, financial, commercial, social, technological and environmental consequences.

Faced with this situation, we should ask ourselves what answer can be provided by the international community, in particular by the developed countries, the United Nations, the Bretton Woods institutions and other international and regional financial institutions, including private national and international capital funds.

Until now, various responses have been tried out using different models, concepts and programmes for action of all types, at the global, regional and national levels. In this connection, I should mention the report of the High-level Panel created by the Secretary-General and headed by Mr. Ernesto Zedillo, former President of Mexico. The Panel's report outlines a series of recommendations and strategies for the mobilization of financial resources. Among other things, it points out that the additional costs of achieving the objectives for the year 2015 will reach an annual total of $50 billion.

The realization of this imbalance has led to the emergence of parties advocating a change of the current international economical, financial and trade system, though they have not so far reached concrete conclusions.

We believe that there is an accumulated store of knowledge and information about the problems that developing countries face, but the vast majority of these countries have so far not been able to overcome their severe limitations. Thus limited, and inadequately prepared, we are now faced with the phenomenon of globalization, which presents new challenges, problems and dangers, but is also said to offer new opportunities.

We know that globalization has been driven by market forces, by technological advances and by transnational corporations' capacity for global organization and production. A new society of nations is being created. It is a more and more interdependent society, but it is also more dependent on private international capital, with all that that implies. For this reason, we subscribe to and second the statement by the representative of the European Union on the need to humanize the phenomenon of globalization. As we see it, the cooperation and solidarity of a more just and equitable international community must place globalization at the service of human beings.

One should ask now how to respond appropriately to the phenomenon of globalization and the integration of developing countries in that process. This dialogue will allow us to formulate some responses leading to decisions on specific and practical action. In that context, it would perhaps be valuable to explore once more the possibility of building bridges enabling the gradual but accelerating progress of developing countries so that they could become integrated into the world economy through a fair and just process.

As we see it, those bridges should be built in several areas. In the political field, it is essential to strengthen democracy and respect for human, social, cultural and political rights.

With regard to economics, it is essential to build bridges to transform the production capacity of developing countries, especially of the least developed countries, small island countries and landlocked countries, by strengthening their infrastructure in transportation and production.

In the financial area, it is essential to build bridges to ensure that developing countries, and highly indebted poor countries in particular, have access to new and additional financial resources on a concessionary basis and in sufficient amounts to promote their economic growth and social development.

With regard to trade, bridges should be built once and for all to allow the export products of developing countries free access to the large consumer markets of developed countries. We suggest that that process should include expansion of the developed countries' initiative to allow free access to the products of less developed countries so that it includes the highly indebted poor countries.

In the technological field, bridges should be built to enable better utilization and adaptation of the most advanced technologies so that agricultural, textile and manufactured goods will be more competitive in international markets.

In the social sphere, bridges should be built to eradicate poverty, safeguard health and improve education — professional, technical and academic— so as to make human resources able to function in a highly competitive world, while ensuring peaceful coexistence in an atmosphere of tolerance, respect and solidarity among human beings.

It is also essential to build bridges to create and strengthen the national, regional and global institutions necessary to build an institutional legal framework that will make possible the changes needed to make and meet new commitments. It is clear that the equitable participation of developing countries is essential in that new exercise.

We must now ask who the builders of those bridges will be. We could say that that responsibility belongs to everyone. But the primary responsibility for transforming the current global system into one that can rise to the new challenges and demands of globalization and, above all, foster the development of developing countries falls on those who currently have the greatest influence in the direction and functioning of the prevailing system.

We ask that these suggestions be taken into account in your report, Mr. President, and conclude by calling on the entire international community to form a new alliance on the basis of a new ethic with a vision of a world of greater solidarity, equality, justice and humanity for all, and not just for the few.

Mr. Apata (Nigeria): On behalf of the Nigerian delegation, I wish to congratulate you, Sir, on your election as the President of the General Assembly at its

fifty-sixth session. We assure you and the other members of the Bureau of the support of the Nigerian delegation in ensuring that at this session the Assembly successfully attains the objectives we have set for it.

Once again I wish to express to the Government and people of the United States the condolences of the Government and people of Nigeria over the tragic events of 11 September and the loss of invaluable lives and property. Nigeria reiterates its pledge to cooperate with members of the international community to fashion appropriate measures to combat all forms of terrorism.

Nigeria fully aligns itself with the statement made yesterday by the representative of Iran on behalf of the Group of 77 and China on the theme of the dialogue that we are now debating.

As the medium for the rapid integration of countries through trade, financial flows and information and communications technologies, globalization has remained the one crucial phenomenon and process that holds great promise for all nations. Yet it poses tremendous challenges, including the risk of marginalizing a large section of the world's population. While the developed countries are at the forefront of the process of globalization, thereby reaping its benefits, developing countries are still at the margins because of various obstacles and challenges.

It is our conviction that the central role of the United Nations places it in a unique position to ensure that the benefits of globalization are evenly spread and shared within and among all countries, leading to people-centred socio-economic development and growth, including poverty eradication. It is therefore most appropriate that this dialogue and the forthcoming major summits and conferences should focus on the best ways to integrate the economies of developing countries into the global economy in a manner that will make the international economic system equitable and fair.

The trend across the globe so far has amply demonstrated that individual countries recognize that it is their primary responsibility to have their economies integrated into the world economy. They equally realize that regional integration will facilitate the integration of their economies into the global economy. The European Union is a good example in this regard. Over two thirds of Europe's exports and imports now consist of intra-West European exchanges, compared with a lesser proportion two decades ago. In relative terms, Europe's trade with the rest of world, especially African countries, has been on the decline. Foreign direct investment has also been very much within Europe; over time, no less than 60 per cent of the overall foreign direct investment flows of Western Europe have remained there.

Globalization has created in its wake tremendous opportunities, particularly in accelerating trade and investment flows within and across borders. This phenomenon was largely responsible for the high growth rate and unprecedented wealth of the 1990s. However, the benefits of such wealth have continued to be unevenly spread. While the industrialized economies of Europe and America have prospered, the majority of developing countries have grown in poverty. The Economic Commission for Africa estimates that 44 per cent of the African population lives below the level of extreme poverty. The estimate for sub-Saharan Africa is a depressing 59 per cent.

The situation has become very critical for most developing countries, which are spending more on debt servicing than on health, education and much needed infrastructure. The fact that 48 least developed countries' share of world exports is currently 0.4 per cent, as against 0.6 per cent in the 1980s, derogates from the much published benefits of globalization. Similarly, the least developed countries' share of foreign direct investment is currently 0.4 per cent. The share of African countries in overall foreign direct investment flows is 1.2 per cent, even after recording a 20 per cent increase in 2000.

Capital flows have tended to remain highly concentrated among developed countries and a few developing countries. In 1998 about 10 countries of the South accounted for 70 per cent of foreign direct investment flows to developing countries. Although Asia has fared better, the 1997 financial crisis in that region showed the impact of globalization, which created serious financial instability and destabilized most of their economies. The balance sheet for Latin American and the Caribbean region, despite massive reform measures, shows more liabilities than benefits.

The dependence of African countries on primary commodities, coupled with a weak productive base and strong supply-side constraints, small population and weak domestic markets, declining world prices, lack of market access and the increasing scourge of

HIV/AIDS, will further delay the integration of African economies into the global economy unless concerted efforts are deliberately launched to accelerate the economic and social development of African States. Such concerted efforts are necessary in support of the comprehensive reforms being undertaken on the continent through increasingly determined commitments of African leaders to democratic governance.

The integration of developing countries, especially in Africa, into the world economy requires that actions be taken at the country, regional and global levels. At the national level, efforts should be made to establish safety nets to address poverty and to cushion the drastic effects of economic reforms. While liberalization and deregulation facilitate private sector involvement, the State must continuously invest in the social sectors, such as education and health, while providing incentives that would attract the participation of the private sector. Such public-private partnership will strongly enhance national capacity and facilitate regional and, later, global integration.

It is obvious that regional integration offers developing countries a realistic opportunity to pool their resources for development within their region. The regional concept enlarges the economic space of developing countries and consolidates the reform processes. For Africa, this requires the effective linkage and integration of its physical infrastructures, trade liberalization, the harmonization of financial and monetary systems and private sector involvement. It must extend to regional transport, power and communication, education, conflict resolution, reconstruction and peace-building. To achieve these requires a huge inflow of financial resources, which Africa on its own, with the most vulnerable economies in the world, does not have.

Nigeria and other countries of the West African subregion have expanded the process of their integration to include macroeconomic coordination, financial cooperation and physical infrastructure, as well as environment. The countries of the Economic Community of West African States have made considerable efforts to introduce measures to harmonize trade and custom laws. They are increasingly facilitating cross-border trade.

Nigeria, on its part, has established a one-stop-shop to effect investment through the National Investment Promotion Council, whereby bureaucratic difficulties have been significantly reduced for investors. The private and public sectors partnership has been intensified. We continue to address the issue of physical infrastructure, particularly in the area of information and communication technology, to create an enabling environment for foreign investments. It must be mentioned, however, that in spite of these huge efforts on our part, the responses in terms of foreign direct investment have been minuscule. We therefore urge the international community to match these reform measures and market-oriented programmes of the countries of the South with concrete action.

As observed earlier, all nations have come to believe in regionalization or regional integration as a vital prelude to globalization. It is in this light that the New African Initiative was recently launched in Lusaka, Zambia, by African leaders. That forward-looking Initiative, designed by African leaders themselves for an accountable overall governance of the continent for the socio-economic upliftment of its people, represents their wisdom and desire to integrate the continent into the global economy. That Initiative calls for international support and partnership for success, for Africa cannot do it all alone.

So much has been emphasized about the benefits of information and communication technologies. We welcome these benefits, particularly in facilitating communication among the peoples of the world. Nevertheless, we should start focusing on how we can minimize the dangers that can bring untold hardship and disaster, posed by those who purposely set out to disrupt the effective functioning of the world's communication systems, particularly cyberspace. The time has come for us at the United Nations to begin the process of discussing measures to combat those who will exploit the World Wide Web for negative motives and activities. We should not wait until the world financial system, for example, is disrupted before we commence our discussion. Such disruption will not respect poor or rich nations or North or South. This issue therefore deserves urgent consideration in our collective endeavour for a stronger international economic cooperation for development.

Nigeria and, indeed, all African countries have consistently emphasized that the first act of contributing to African economic renaissance is for the creditor nations to cancel Africa's external debt. To have Africa contribute over two thirds of its gross

national product to service external debt is to consign the continent permanently into poverty. We all know that poverty is the greatest obstacle to the integration of African economies into the global economy. World leaders entered into a commitment in the Millennium Declaration when they pledged to take appropriate measures, including cancellation, to address Africa's indebtedness. This commitment was given a year ago. We are yet to see any concrete measures in this direction. We therefore call on the creditor nations to take another look at the Millennium Declaration and to begin the process of fundamentally addressing Africa's external indebtedness.

In conclusion, the discussion of the ways and means of facilitating the integration of the developing countries into the global economy in this century of necessity requires a holistic and multidimensional approach, focusing concerns on ensuring an open, rules-based, transparent multilateral trading system and international monetary and financial regime involving the greater participation of developing countries in decision-making. Such deliberations should involve all relevant stakeholders, including the private sector. Because globalization should be an inclusive and not an exclusive process, so should its benefits, which should reach out and affect all of mankind positively.

The President: We have heard the last speaker in the debate at the high-level dialogue.

I now call on the representative of Paraguay, Rapporteur of the first ministerial round table-cum-informal panel, to present his summary.

Mr. Loizaga (Paraguay) (*spoke in Spanish*): I have the honour of presenting my summary as Rapporteur of the round table-cum-informal panel on the question of enhancing the integration of developing countries in the emerging global information network, facilitating access to information and communication technologies for developing countries.

In spite of the tragic events of 11 September, the strong spirit of cooperation and solidarity in the international community has been reflected in open, active and interesting debate in the round table-cum-informal panel on enhancing the integration of developing countries in the emerging global information network, facilitating access to information and communication technologies for developing countries. The tragedy of last week has painfully reminded us of the opportunities and risks involved in our interconnected world. It has highlighted the need to ensure that technology is not used against humanity but for the benefit of all.

The discussion, with the help of the input from the distinguished panellists, resulted in a fruitful exchange of views and ideas on what needs to be done to ensure that information and communication technology (ICT) serves as a tool for development. Following are the salient points of the discussion.

Today, globalization is driven by ICTs that expedite the flow of information across national boundaries. Advances in technology and improved accessibility through lower costs and increased user-friendliness have resulted in new opportunities for promoting development through greater access to markets and better access to knowledge in the areas such as health and human resource development. ICT policies must be considered in the broader context of development and addressed within the context of a comprehensive, holistic approach. ICT cannot be seen as a panacea for all development problems and challenges.

The challenges and limitations in bridging the digital divide, particularly for developing countries, remain enormous. The lack of infrastructure, inadequate regulatory environment, high cost of access and lack of human resources remain serious restrictions on the promotion of accessibility and connectivity in developing countries, particularly in rural areas. In this regard, the problem of infrastructure could be overcome through the adoption of relevant technology, lowering costs, the collective use of facilities and the creation of a favourable environment for ICT-related investment. With regard to human resources, the issue of brain drain — which can also be seen as a mechanism for technology transfer — needs to be further addressed. Several speakers stressed the diversity of the situation in developing countries as regards ICT, and expressed their opinion that for ICT to become really significant, basic needs such as education and health must be addressed on a priority basis. A more comprehensive approach that integrates ICT into a new development paradigm is needed.

The gender aspect must be addressed in the context of ICT and development, given that the impact of ICT is not gender-neutral. It is important to ensure that women have equal access to the infrastructure, education and training related to ICT, and that new

modes of working made available by ICT, such as teleworking, are explored with a view to enable new possibilities, particularly for women.

Development of local content remains a great challenge, not only in terms of language but also in the social, historical and cultural context. It is important to respect social and technical pluralities and to avoid a "one size fits all" approach in identifying effective entry points for developing countries into the globalized digital economy.

Other developing countries could examine the possibility of replicating the success of low-wage countries in taking advantage of the information-processing work outsourced by transnational companies.

The role of the state is vital in creating an enabling environment for a knowledge-based economy, in particular in establishing an appropriate regulatory environment, as well as in ensuring affordable access to ICT for those who cannot register their needs and preferences adequately through the market mechanism.

ICT has a potential to reduce inequalities on national and international levels with the collaboration and genuine partnership among all stakeholders — policy makers, non-governmental organizations (NGOs) and the private sector. The example of Mozambique as presented by one of the panellists illustrated the importance of cooperation at the national level among stakeholders in formulating and implementing national ICT strategies for development.

The involvement of NGOs could help ensure that the developing countries acquire technologies that are relevant to the needs of the target beneficiaries. Cooperation with academics and professionals in the fields of social science, science and technology is necessary to ensure that research and development in ICT are adapted to meet the requirements and the resource base of developing countries.

While the issue of the digital divide had been addressed by the International Telecommunication Union (ITU) since the mid-1980s, the United Nations as a whole started its efforts in the 1990s. In general, developing countries have made significant progress in the ICT area. But the least developed countries and Africa have been left behind. Regional and international efforts should be supported and further encouraged to ensure that the digital divide does not widen. The United Nations must play a critical role in promoting coherence and cooperation at the international level. Many speakers voiced their hopes that the ICT Task Force, created by the Secretary-General, will make a tangible difference for people on the ground through its efforts to bridge the digital divide on the basis of facilitating partnerships among governments, NGOs, the private sector and the international community. In this regard, a proposal was made for the establishment of an ICT trust fund to support these activities.

Several speakers underscored the need to view affordable access to information and knowledge as a fundamental human right.

The President: I call now on His Excellency Mr. Ion Botnaru of the Republic of Moldova, Rapporteur of the second ministerial round-table-cum-informal panel, to present his summary of the panel's activities.

Mr. Botnaru (Moldova), Rapporteur of the second ministerial round-table-cum-informal panel: The second ministerial round-table-cum-informal panel had a very comprehensive and productive discussion on the topic of "Promoting the integration of developing countries into the world economy and generating new public and private financing resources to complement development efforts".

Introductory statements by the panellists facilitated a fruitful exchange of views, ideas and considerations on a number of aspects of financing development. They focused on those elements put forward in the context of the ongoing process towards the International Conference on Financing for Development, scheduled to take place in March 2002 at Monterrey, Mexico. On the basis of the facilitator's text, all efforts should now be aimed at reaching consensus and at identifying practical steps to increase financing resources.

The tragic events of 11 September highlighted the degree of interdependence in the international community, as they showed that someone else's poverty very soon becomes one's own problem and can result in fanaticism and terrorism. The meeting strongly underscored the need not to let those events undermine the process of financing for development. In the common commitment to fight terrorism, cooperation in areas such as money-laundering, tax shelters and offshore banking is critical.

The financing for development process provides an opportunity to answer the open question of how to finance the public policy interventions called for in the comprehensive development agenda developed by the United Nations in the 1990s through the various global conferences. At the same time, it is an opportunity for joining the larger development debate with that on reform of the international financial architecture.

Achievement by developing countries of the international development goals adopted at the Millennium Summit and the related need for increased aid from donor countries are additional priorities. In order to preserve the credibility of the international community, it is essential for the process of financing for development to go beyond already-existing agreements. Speakers noted the unprecedented level of cooperation among the entities of the United Nations system, in particular the World Bank, the International Monetary Fund and the World Trade Organization, in preparing for the International Conference. The process is also unique in engaging all stakeholders, including the private sector.

A number of reasons were suggested for why official resource transfers were needed within the process of financing for development. A clearer picture of the extent, type and quantity of existing flows and their use for productive purposes should be sought. Since global financial crises remain a threat to the task of promoting development, coordinated action is needed in the short term to reduce the risk of crisis, and to respond to any such crisis. Great progress has been made in recent years in improving financial infrastructures, especially at the national level. However, much still needs to be done on broader institutional reform.

Speakers acknowledged the need to find ways to involve the private sector in financial crisis management, as well as the difficulties in doing so. Long-term aspects, such as macro-economic interdependence and potential contagion effects, also need to be addressed. Rapid developments in the global economy have led to a democratic deficit in economic governance structures; new rules and institutions are thus required. In particular, participation by developing countries in international decision-making processes needs to be enhanced. While some progress has been made in that regard, including at meetings of the Economic and Social Council and the Bretton Woods institutions and at consultations between the Organization for Economic Cooperation and Development and emerging economies, further steps are needed. The High-level Panel on Financing for Development — the Zedillo Panel — has proposed the creation of an apex institution to address economic polarization and economic insecurity.

The financing for development process has highlighted the need and prepared the ground for a renewed commitment to increased international cooperation to improve financing for development opportunities. Speakers discussed proposals for collecting an international tax, such as a currency transaction tax — known as a Tobin tax — or a carbon tax on the consumption of fossil fuel, as recommended in the Zedillo report (A/55/1000). In addition, the possibility of creating an international tax organization directed to fiscal harmonization and cooperation was mentioned.

Speakers also highlighted the impact of trade on financing for development. The trade dimension is rightly included in the financing for development process, and it is deemed to be of particular importance to move forward in the context of the forthcoming ministerial meeting of the World Trade Organization, to be held at Doha.

Official development assistance remains an important issue for discussion in the financing for development process, including the quantity and quality of aid, clarity about sectors in which to invest aid, and a more efficient use of aid by recipient countries. With respect to official development assistance, the Zedillo Panel endorsed the common-pool proposal, which aims at curbing the increasingly unmanageable transaction costs involved in receiving aid. National ownership of development strategies should take priority over donor conditionality, and the new African initiative already reflects such an approach. Public-private partnerships, such as channelling aid through non-governmental organizations, were also presented as an example of how to lower transaction costs and increase returns.

The efficiency of current debt-relief mechanisms was discussed. There is a need to go beyond the Heavily Indebted Poor Countries (HIPC) Debt Initiative and to put in place a more transparent and fair system. Debt sustainability is an important objective, as debt relief has to insure a real transfer of resources to indebted countries for poverty reduction.

The role of the State and the issue of governance were also discussed. Notwithstanding the increasing role of many actors and stakeholders in development and the discussion concerning the role of the State, a number of areas continue to be the responsibility of the public sector, such as the provision of public goods, social services and the prevention and management of crises. Thus, a mixture of public-sector and private-sector action was called for.

With regard to mobilizing domestic resources for development in developing countries, a number of proposals were mentioned. The Zedillo Panel, for example, pointed to the value of funded, defined-contribution pension schemes in increasing savings; these could be managed in the public or the private sector.

The financing for development process also needs to take into account various dimensions of the situation in countries in need. For example, conflicts and disasters have led to decapitalization in countries where human and financial capital has been destroyed. Recapitalizing credit institutions is an important endeavour to ensure availability of resources in post-conflict and other countries.

In conclusion, I would like to thank the Department of Economic and Social Affairs for its efforts to help the event take place. My special thanks go to the panelists, and especially to the Under-Secretary-General for Economic and Social Affairs, Mr. Nitin Desai, whose personal active participation in the event made it so successful. I would like also to thank my colleague, the Permanent Representative of South Africa, Ambassador Kumalo, for the very effective manner in which he chaired that important event.

The President: I extend my appreciation to all representatives, whose outstanding efforts have resulted in a successful dialogue despite the rescheduling of major meetings of the General Assembly. I believe that this is a clear manifestation of our strong unity and solidarity in the pursuit of world peace and development.

As we are all so sadly aware, this dialogue was held against the backdrop of the 11 September terrorist attacks on our host country. Those heinous actions serve as a stark reminder that international terrorism constitutes a grave and deadly threat to peace and democracy. In this regard, great efforts in the context of broader multilateral cooperation are called for to combat international terrorism in all its forms.

The plenary debate provided a unique opportunity for highly productive discussions on the international economic environment from different perspectives. The dialogue was particularly timely in the context of the current global economic slowdown, enabling us to make major progress in defining a new development strategy. It is a demanding task to do justice to the wide range of views and the wealth of ideas submitted in these plenary meetings. I will therefore prepare a detailed summary, in close consultation with delegations, and circulate it at a later stage.

At this point, I wish to make some observations and underscore main issues.

The view was expressed that dialogue could give useful input into upcoming major conferences, which include the World Trade Organization (WTO) Ministerial Meeting to be held in Doha, Qatar, the International Conference on Financing for Development, to be held in Monterrey, Mexico, and the World Summit on Sustainable Development, to be held in Johannesburg, South Africa. It was also felt that the dialogue could be viewed as an opportunity to define a strategy to follow up the Millennium Declaration.

Globalization was widely seen as a reality that we must accept. While it could be a formidable multiplier of growth and prosperity, it also risks widening inequalities and disparities within and among countries. Emphasis was placed on the importance of policy choice in order to reap the full benefits of globalization, which is an interactive and comprehensive process. There was also stress on the importance of humanizing globalization so as to assist developing countries to become smoothly integrated into the world economy by opening world markets and generating new flows of financing for development.

Representatives underscored the unique role of the United Nations in providing the normative policy framework for addressing challenges involved in globalization. This view is based on the belief that the United Nations is also best suited for bringing all stakeholders together in a partnership for sustainable development.

With regard to sub-theme (a), on financing for development, the multitude of goals for development and poverty eradication set out in the Millennium

Declaration were recognized as the framework for international development cooperation. It was agreed that a favourable international economic environment is crucial for mobilizing financial resources. Attention was also called to the need for improving governance at the national level and for creating an environment conducive to investment, both domestic and foreign. Private capital flows are particularly important for increasing productive capacity and the development of infrastructure.

Concerns were expressed about the volatility of short-term capital flows, including Southern capital flight, and representatives called for an appropriate mechanism to deal with them. It was agreed that the upcoming International Conference on Financing for Development in Monterrey represented an invaluable opportunity to promote significant improvements in the growth and development prospects of developing countries.

Official development assistance (ODA) remains an important source of development funding for some developing countries, particularly the least developed ones. There was broad agreement on the need to reverse the decline of ODA levels and move towards achieving an ODA expenditure target of 0.7 per cent of gross national product. Promoting the effectiveness and efficiency of aid was also emphasized, as was the need to create social safety nets. The view was expressed that vulnerability, as well as low per capita income, should be considered by donors in assessing needs, particularly of the least developed countries and smaller developing States in Africa. The need was reiterated for deeper, broader and expeditious debt relief in the heavily indebted poor countries (HIPC) and beyond, and for effective and coherent debt policies, including post-HIPC programmes.

Representatives have high expectations that the upcoming WTO meeting in Qatar will provide a renewed opportunity to focus on market excess, capacity-building and trade and growing protectionism during the global economic slowdown. It was stressed that coherence in global policies on development assistance, debt relief and trade should be enhanced in order to increase the effectiveness of each of these policy elements. Attention was drawn to the need for improving governance of the global economy and financial system and for enhanced dialogue of all relevant stakeholders for greater policy coherence. Those stakeholders include Governments, the United Nations, the Bretton Woods institutions, the WTO, the private sector and civil society.

With regard to sub-theme (b), on information and communication technologies (ICT) for development, representatives concurred on the view that information and communication technologies could play a pivotal role in economic and social development. They further noted that the ICT revolution has led to the creation of the emerging global knowledge-based economy, which in turn has opened up vast opportunities for economic growth and social development. However, this information revolution presents many challenges and risks. Much of the world continues to live in poverty. Many countries have yet to reap the benefits of the ICT revolution because of lack of ICT infrastructure, including electricity, and also because of high rates of illiteracy.

In this regard, concern was expressed about the widening digital divide. It was felt that narrowing the digital divide was a priority, requiring bold policies to develop human resources and the institutional capacity to manage such changes. Comprehensive national action was viewed as a prerequisite for establishing the necessary capacities and infrastructure to successfully reap the benefits of ICT. Strong support for such programmes by international and multilateral institutions, particularly the United Nations system, including the Bretton Woods institutions as well as regional banks and others, was seen as vital.

In addition, representatives highlighted the importance of forging partnerships between the public and private sectors. Thus the establishment of the ICT Task Force was welcomed, and it was hoped that its activities would provide tangible results. It was agreed that the benefits of ICT must be harnessed and directed towards the long-term comprehensive development of developing countries so as to ensure their eventual successful integration into the global economy.

In order to achieve this, developing countries were called upon to provide an environment that would attract investment in ICT infrastructure, as well as to devise policies to increase local content. Only in this way, it was felt, would developing countries be able to make needed progress towards sustained economic growth, as well as improvements in the areas of health, education and poverty eradication. Given the diverse conditions and policy objectives, there was recognition of the unique role of the United Nations in the

promotion of public awareness of the wider applications of ICT for development and poverty eradication.

The decision of the International Telecommunication Union to hold the World Summit on the Information Society was welcomed, and it was hoped that the General Assembly would explore ways to contribute to the successful preparation of the Summit. Views were also expressed that policies should be devised to cope with the rising instance of cyber crimes and other associated illegal activities.

Those are some initial observations on the two-day dialogue. As I mentioned at the beginning, a more detailed summary of these meetings will be issued as a document to the General Assembly.

The two-day high-level dialogue on strengthening international economic cooperation for development through partnership is now concluded.

The meeting rose at 1.15.p.m.